



CPA.com White Paper

PAYROLL OUTSOURCING

**A Powerful, Profitable
Machine for Accounting Firms**

Understanding How Outsourced Payroll
Fuels Efficiency, Security and Cost
Savings for You and Your Clients



PAYROLL OUTSOURCING

A Powerful, Profitable Machine for Accounting Firms

Understanding how outsourced payroll
fuels efficiency, security and cost
savings for you and your clients

TABLE OF CONTENTS

Executive Summary	3
Outsourced Payroll: Fueling Success	4
Summary of Payroll Outsourcing Benefits	5
About CPA.com	7

Executive Summary

Are many of your business clients doing their own payroll? Or are you handling this time-intensive, strictly regulated and often low-profit task for them? Have you considered outsourcing your clients' payroll to a trusted third-party service? Or if you don't currently offer payroll, have you considered outsourcing payroll as an option to provide this service without having to manage it directly? Most importantly, what are the benefits of outsourcing, not just for your clients, but for your firm? This concise white paper will help you better understand the key benefits and advantages of payroll outsourcing for your firm and your clients.

Many clients look to you as their trusted business advisor; your clients depend on you for sound, reliable advice. This paper provides the key facts you need to know, so you can offer your clients advice and recommendations based on their unique business needs. This paper also will delve into how outsourcing can enhance your firm's value and professional reputation while freeing up firm resources so you can expand into more-profitable, higher-value service offerings.

This paper will discuss the key advantages of payroll outsourcing:

- Accuracy and Reliability
- Efficiency and Productivity
- Service and Support
- Security and Data Access
- Cost Savings

Please note: Not all payroll services are the same, and offerings can change with the provider. With this in mind, it is important to ask for references before hiring any payroll vendor.



Outsourced Payroll: Fueling Success

Accuracy and Reliability

For a firm to manage a client's payroll, it often is a time-consuming task to keep up with current and changing federal, state, and local tax and payroll regulations. It is a recurring task fraught with potential for error. Sometimes clients choose to manage their own payroll using lesser-trained, part-time bookkeepers. These individuals may not have the depth of knowledge needed to administer and handle all of a business's payroll needs. Mistakes can result in tax penalties that often cost a client more than the fee of a payroll company.

With a payroll company's expertise, you can feel confident that your clients' needs will be handled effectively. Payroll companies make it their priority to keep up with changing federal, state and local regulations, and some are able to handle the simplest entities to the more complex multi-state payrolls. A payroll company can ensure that calculations and taxes are accurate from one pay period to the next. Additionally, taxes are remitted to the appropriate governmental agencies on time, reducing the risk of assessed penalties.

Your firm's time could be better spent providing more-profitable, higher-value services to your clients, which serves to elevate your role as their most trusted business advisor. That is why handing over payroll tasks to a third-party provider allows you to make more efficient use of billable time.

Overall, outsourcing payroll offers a great deal of value. So, whether you currently offer payroll or not, outsourced payroll is a great alternative to provide this much-needed service to your clients. It's also an excellent way to further elevate your trusted business advisor role and serve clients at a much deeper and focused level.

Offering payroll services is an excellent way to further elevate your trusted business advisor role and serve clients at a much deeper and focused level.

Efficiency and Productivity

Employees do not live by paycheck alone. They also have health insurance and retirement needs. They expect bonuses, sales commissions, annual raises, vacation, sick pay and more. To meet the complete needs of a growing client's employee and contractor staff, a top-tier national payroll service will usually offer a comprehensive range of services from payroll processing to 401(k) retirement plan administration and the full spectrum of HR services.

A payroll service will be able to properly calculate all types of wages, including overtime, commissions, bonuses and other types of pay.

It is much more efficient to have all employee-related programs administered by a single vendor. Payroll outsourcing will save your clients the operational costs of hiring and maintaining a payroll staff.

Outsourcing payroll also provides a huge productivity benefit for both your firm and your clients. Money, time and resources that you or your clients would have allocated to processing payroll are now available to invest in other more-profitable growth areas and opportunities. You and your staff will have more time to focus and devote to higher-value, revenue-generating activities, such as advisory and consultative services. By freeing up staff, you not only help your clients ensure continued business growth, but you fuel the growth of your firm, as well.

Service and Support

You should expect outstanding service and support when you outsource to a payroll vendor. A good vendor will respond quickly to your clients' needs and resolve issues promptly. That is why it is critical for you to interview payroll vendors, read reviews and talk to current and past customers. When outsourcing payroll to a vendor, you want to ensure your clients continue to receive the same level of quality service that you consistently provide.



Summary of Payroll Outsourcing Benefits

For Your Firm:

- Builds loyalty – recommending a reliable payroll provider reinforces client-firm relationships
- Frees you and your staff to focus on offering higher-value, more-profitable client advisory services
- Enhances your professional image and reputation – valued recommendations make you shine in the eyes of your clients
- Boosts your role as your clients' "go-to" trusted business advisor
- Opens the door to new business and growth opportunities – satisfied clients give you more work

For Your Clients:

- Keeps clients compliant with changing laws and regulations
- Helps ensure payroll is error-free and minimizes risk of penalties
- Offers expert support, available when you or your clients require it
- Ensures client data remain secure and always are easy to access
- Offers additional services, including HR and retirement plan administration
- Helps streamline clients' internal operations, reduce costs and increase efficiency
- Frees clients to spend time and resources on business growth

Security and Data Access

If your firm handles a client's payroll, you will need to devote time and effort to regularly backing up their payroll data, as well as ensure that all employee and contractor records are safe. Airtight security is essential for confidential information – a reputable payroll company can provide a much higher level of security than most firms and businesses. Because a dedicated payroll company has access to sensitive employee information, from social security numbers to wage detail, it is essential to ensure that the vendor you choose maintains the highest standards and best practices to protect client data.

As your clients' trusted business advisor, you need access to their financial data, including payroll and tax records. Well-established payroll companies understand this and will provide your firm with the tools required to access data with ease and convenience.

Cost Savings

Outsourcing payroll can help your clients save money. The cost to hire an in-house payroll specialist to process payroll can easily exceed the fees a payroll service will charge. In addition, a payroll service will often provide a range of services and may bundle them together with special pricing. You and your clients should be able to pick and choose the services that best fit everyone's needs.



Final Thoughts

Many firms feel that payroll can be resource intensive and that profit margins often are too low to justify offering this service to clients. There are also those firm owners who still offer payroll services because their clients expect an all-inclusive “A-to-Z” range of services. For both firms that currently offer payroll and those that don’t, payroll outsourcing is a great solution. No matter what your involvement or philosophy with payroll, it is important to know your options and the advantages of payroll outsourcing.

When you suggest a payroll service to your clients, your recommendation reflects on your firm. Therefore, it is essential to know and trust any third-party vendor you refer. Make sure that you work with a reputable and reliable company. If your client has a positive experience with a vendor, it will reflect well on you and further strengthen your role as the client’s most trusted business advisor.

Additional Resources

For more information about payroll outsourcing, please visit cpa.com/payroll. While on our site, please review our powerful client success stories and listen to what your peers are saying about the advantages of outsourcing payroll.

Learn more about the **Paychex Partner Program ...**

Over 20,000 CPA firms have leveraged the Paychex Partner Program to offer consultative payroll for their clientele. The Paychex Partner Program offers valuable benefits for you and your clients. Membership is free and without obligation. Program benefits include:

- One month free services on a Paychex payroll package
- \$200 off 401(k) setup fees
- Six-month, money-back satisfaction guarantee

Enroll online or by phone at **877.264.2615** or through your local Paychex sales representative.





About CPA.com

CPA.com is the technology subsidiary of the American Institute of Certified Public Accountants (AICPA), the world's largest member organization representing the accounting and auditing profession. The company, through its website [CPA.com](https://cpa.com), as well as online webinars, conferences and training programs, helps firms position for success within the digital transformation that is revolutionizing the competitive landscape.

CPA.com forms strategic alliances with leading solutions providers focused on the accounting profession and serves as a value-added distributor of these solutions to CPA firms nationwide.

Call:

855.855.5CPA

Learn More:

[CPA.com](https://cpa.com)